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MULTI-YEAR FUNDING FRAMEWORK, 2000-2003
Report of the Administrator

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Foreword by the Administrator

With the presentation to the Executive Board of the first multi-year funding framework (MYFF), a key building block in the application of results-based management in UNDP moves into place. I am grateful to my predecessor, James Gustave Speth, for initiating this highly consultative and methodologically challenging process in record time.

The MYFF document sets the four-year frame (2000-2003) for the intended work of the organization. Based on the empirical realities of the programme choices being made at the country, regional and global levels, it is intended to become a key instrument for the strategic management of UNDP. It is against this framework of specific organizational goals and intended results, reinforced by the business plan, that the results-oriented annual reports (ROAR) will review our progress in future.

A strategic choice was made to shape the MYFF "field-up" by the empirical evidence on intended results as set out in the strategic results frameworks (SRF). In other words, the priorities that emerge are those of the programme countries rather than centrally imposed themes. This was felt to be essential given the nature of the organization, and it protects the close and trusted role played by UNDP at the country level - one of its enduring strengths.

The MYFF/SRF process presents both large challenges and opportunities. Its implications are not only wide-ranging but they are likely to evolve as core organizational practices are adjusted to the business plan and results-based management principles.

By focusing on managing for results, the new process presents an opportunity to emphasize accountability and learning. This responds to the message from both the Board and the staff that results-based management in UNDP must explicitly aim at changing the way the organization is managed, fostering a strategic orientation and a culture of performance.

By providing a clear picture of what areas and outcomes UNDP is engaged in, the MYFF exercise presents an opportunity to align the capacities of the organization more closely with its tasks. This should help to meet the challenge of putting in place the right skills mix for the organization and the incentives necessary to establish UNDP as a world-class organization, providing quality, substantive services in areas of its comparative strengths.

The paper is a welcome check against country experience. UNDP emerges as principally "a facilitator, catalyst, adviser and partner" and as the operational arm of the United Nations. These roles provide high-yield outcomes, reinforcing national ownership and "social and organizational capital", essential elements in the acceleration of economic and social progress.

What this document is not also needs to be made equally clear. It is not yet a definitive statement about the future focus of UNDP. Rather, it is a starting point, a seedbed for cultivating a sharper strategic focus. It is significant that the paper shows how country experience repeatedly positions UNDP to address its critical anti-poverty mission from the angle of capacity-building, economic and social governance, in-country coordination and post-conflict transition. bringing new knowledge, new ideas and new partners into play. These messages about what UNDP may do best coincide with my own sense of

where the organization must concentrate to develop its competitive edge in the fight against poverty.

Yet for all that is positive and valuable about the MYFF, the resources framework holding this new compact together now looks perilously insecure. The momentum of a declining resource base has not yet been broken. The decline in contributions represents a devastating blow to the UNDP programme, a major threat to the essential universality of this organization and a most difficult start to the MYFF. A reconfirmation by donors of their commitment to provide predictable and adequate core funding in a true spirit of partnership is essential for the future of the organization.

I. OVERVIEW

1. The formulation of some 150 strategic results frameworks (SRFs), in which every country office as well as other UNDP operating units have participated, marks a major breakthrough and provides remarkable opportunities for the organization. It is a breakthrough because for the first time the strategic vision of the organization, seen from the bottom up as well as from the top down, has been documented. The data collected represents an extraordinary opportunity in that it provides a powerful instrument with which to identify the UNDP profile, to characterize the key roles UNDP plays, to align capacities to support those roles, and to mobilize resources.

2. The SRFs have been made available to the Executive Board in document DP/1999/CRP.12. A detailed analysis of each SRF is provided in chapter III. Chapter IV has been devoted to the complex subject of indicators. This overview does not represent an attempt to summarize these analyses but rather, to present, drawing from the analysis, a sense of the UNDP profile and the challenges that face the organization as a result of the extensive work that has been done.

The UNDP profile

3. In its decision 98/1, the Executive Board adopted guiding principles for narrowing the programmatic focus of UNDP. The Board also recognized "the ongoing effort within UNDP to identify an indicative list of core development services". UNDP has undergone a major transformation with regard to its mandate and focus since the beginning of the decade. The biggest challenge that remained after this transformation was to articulate with greater specificity the results to which UNDP was contributing - and in a way which was measurable. Decision 99/1 has become an instrument for giving practical effect to decision 98/1.

4. In its decision 99/1, the Executive Board focused on results. The consequence of the methodology chosen to give effect to decision 99/1 is a focus on outcomes. A set of generic outcomes has been identified that characterizes the results to which the organization will contribute. These outcomes are the product of country-level assessments and consultations. They are driven by demand and are empirically derived from operational activities.

5. Figure 1 provides the broad outlines of the emerging profile of UNDP. The profile will be subject to further review and adjustment. It is work in progress. It is derived from a wealth of data on the organization's aspirations as reflected in the outcomes it has identified and to which it will contribute at the country level. Table 1 captures the five programmatic categories of SRFs. It does not capture the two non-programmatic components - namely support to the United Nations and the management SRF. It should also be emphasized that the following tables capture the frequency of outcomes, not the volume of disbursements.

6. The institutional profile drawn in figure 1 reflects the reality of UNDP interventions; it will be complemented by the Administrator's vision of the future of the organization. The Administrator believes that the profile provides the foundation on which that vision can become reality. Figure 1 identifies four types of outcome on which UNDP is concentrating its efforts.

Figure 1. Typology of generic outcomes

A.	Capacity-building
	A1. Policy, regulatory and legal frameworks
	A2. Increased social cohesion, inclusion and awareness in the enabling environment
	A3. Institutional capacity
	A4. Data collection and monitoring
B.	Knowledge networking and the adoption of regional and multisectoral perspectives
C.	Empowerment and participatory approaches
D.	Targeted/pilot interventions

A. Capacity-building

7. Seventy per cent of the outcomes in figure 1 relate to capacity-building (see table 1). Table 2 provides a breakdown of four types of outcome within capacity-building that characterize UNDP cooperation. Prominent is work in the area of policy, regulatory and legal frameworks. In the area of governance, UNDP cooperation includes work on legal frameworks for elections, comprehensive legal reform, legislation for human rights, legal frameworks for decentralization and frameworks to strengthen an accountable and transparent public sector.

Table 1. Typology of generic outcomes: Statistical overview[a/]

	Total Outcomes	A Capacity building %	B Knowledge networking %	C Empowerment %	D Targeted/pilot interventions %
Enabling environment for sustainable human development	38	28	5	5	-
Poverty	19	12	1	2	4
Environment	20	10	4	4	2
Gender	23	19	1	1	2
Special development situations	15	11	1	1	2
Total	115	80	12	13	10
Percentage of total	-	70	10	11	9

a/ Indicates the number of generic outcomes relating to each category, not the volume of assistance provided.

Table 2. Capacity-building a/

	Total outcomes	A1 Policy, regulatory and legal framework	A2 Enabling environment	A3 Institu-tional capacity	A4 Data collection and monitoring
Enabling environment for sustainable human development	28	10	2	15	1
Poverty	12	5	1	4	2
Environment	10	4	1	3	2
Gender	19	8	9	1	1
Special development situations	11	4	5	2	-
Total	80	31	18	25	6
Percentage of total		38	23	31	8

a/ Indicates number of generic outcomes relating to each category, not the volume of assistance provided.

8. In poverty, the work includes the formulation and implementation of pro-poor policies as well as the establishment of policies and legislation to ensure ownership and user rights by the poor. With respect to environment, the

ratification and implementation of international agreements is a major area in which UNDP works. Finally, with regard to gender, the promotion of policies and legislation securing gender equality and the formulation and implementation of national plans for the advancement of women represent important areas of work.

9. Increased social cohesion, inclusion and awareness capture a number of important anticipated outcomes. For example, UNDP work in the sphere of promoting awareness on environmental and gender issues and their relationship to poverty is captured here. So is UNDP work in promoting social cohesion and preventive development, in particular in crisis situations.

10. Institutional capacity-building remains an important segment of UNDP work. A large number of outcomes relate to this. As the analysis in chapter III shows, it is sometimes difficult to draw a clear line between outcomes relating to policy frameworks and institutional capacity-building. They are often two sides of the same coin.

11. Data collection and monitoring represents the fourth focus area identified within the broad category of capacity-building. This is an outcome which cuts across the four major thematic areas and clearly reflects both the commitment of UNDP to institutional capacity-building and, more specifically, concrete follow-up to the United Nations global conferences. Monitoring and measuring are the necessary counterparts of effective follow-up.

12. It is important to recognize within this broad category of capacity-building the significant shift in the UNDP focus to newer, innovative types of capacity-building interventions.

B. Knowledge networking and the adoption of regional and multisectoral perspectives

13. The second major category relates to knowledge networking and the adoption of regional and multisectoral perspectives. Particularly prominent in this regard are the adoption of multisectoral and regional approaches. The concept of a broad advocacy approach is captured above all in the global Human Development Report as well as the numerous national human development reports. They often lie at the heart of a strengthened dialogue on policy options and choices relating to sustainable human development. The interrelationship between poverty, gender, governance and environment is a critical dimension of UNDP work in the area of policy frameworks, public dialogue, and policy implementation. One specific dimension of this relates to UNDP work in the area of regional cooperation and regional frameworks. A number of important and politically sensitive outcomes are anticipated in this area. UNDP work in the area of technical cooperation among developing countries (TCDC) and knowledge networking is also included under this category.

C. Empowerment and participatory approaches

14. This third category is integral to ensuring successful outcomes under the other categories. In each thematic area, strengthening empowerment and participatory approaches constitute important outcomes. The organization of the poor to empower them and enable them to participate in decisions affecting them is an important dimension of the work.

D. Targeted/pilot interventions

15. In some instances, direct support is the most accurate characterization of UNDP work even though such support includes important capacity-building components. Providing access to services for targeted groups of the poor is a case in point; projects dealing with global environmental issues is another. As a credible operational agency, UNDP must not lose its ability to provide direct support so long as the circumstances are such that UNDP is clearly providing value-added services.

16. Out of this analysis emerges a strong profile for UNDP. Capacity-building, the development of policy and legal frameworks, the promotion of multisectoral approaches that increase the choices available to decision-makers, empowerment and the promotion of participatory approaches; these are all mutually reinforcing outcomes. They are outcomes which address centrally the ability of Governments and peoples to cope with the reality of globalization.

17. In the 1950s and 1960s, the central challenge for technical cooperation was to support investment. The emphasis at that time was on pre-investment, often for subsequent World Bank-funded loans. Subsequently, in the 1970s and 1980s, UNDP became an organization whose principal purpose was to transfer resources to help to build the newly emerging States. Today, countries are facing a new set of challenges. They need to create an environment that enables them to seize emerging opportunities. They need to invest in the social, organizational and knowledge capital required to engage in a shrinking world. In short, the critical challenge facing technical cooperation is that of helping countries to cope with globalization. This is what is reflected in country demands for UNDP support. It is not a headquarters policy statement, it is a reflection of country-level realities. It is demand-driven and has critical implications for the role of UNDP.

Implications for the role of UNDP

18. From this analysis, UNDP emerges as principally a facilitator, catalyst, adviser and partner. The role that UNDP plays in development is an integral function of its role as the operational arm of the United Nations. Country-level presence is in many cases an important factor in the ability of UNDP to fulfil this role.

19. This role provides tangible outcomes of high value to the development process. It is a high leverage role. It matches extraordinarily well with recent analyses and findings regarding the optimal role of technical cooperation. In Assessing Aid: What Works, What Doesn't, and Why (published for the World Bank by the Oxford University Press, 1998) the key question is considered to be the extent to which agencies have used their resources to stimulate the policy reforms and institutional changes that lead to better outcomes. The report emphasizes that "policy reforms rarely succeed unless the Government is genuinely convinced that the reforms have to be implemented and considers the reform programme its own". National ownership is the key to aid effectiveness, a finding supported by the experience of UNDP itself, as documented by the Evaluation Office. The profile of UNDP outlined above, the role UNDP sees itself playing, is precisely the role identified by Assessing Aid as being appropriate.

20. It is suggested in Assessing Aid that "social and organizational capital cannot be handed over to a country from the outside. It must be developed from within and that the hard part of capacity-building is the development of the

organizational/social capital, the institutions that enable a society to function well". A key dimension to this is "the policy environment, which includes the capacity to make key decisions concerning development strategies". This requires precisely a focus on policy and legal frameworks, on multisectoral approaches to development, on empowerment and participation. UNDP, as an integral part of the United Nations, has a critical role to play in these areas. Not least, the United Nations has a key role to ensure that no one set of institutions or ideology reduces the choices available to Governments and peoples as they make their decisions.

Implications for UNDP capacity

21. There are a number of clear implications for UNDP capacity. First and foremost, the SRFs provide an opportunity to match capacity with key outcomes. The data now exists to make it possible to align capacity with mission. Implementing the alignment will require hard choices and decisions.

22. The role of UNDP implies that presence is integral to capacity. The role of facilitator, catalyst, adviser and partner will in many cases require presence if this is to be done within the context of national ownership. The building of national alliances must be done from within; it cannot be done from without.

23. The quality of UNDP interlocutors is without doubt the single most critical factor influencing the ability of UNDP to perform this role. The competency assessment procedures established for the selection of resident representatives/resident coordinators is an important step in the right direction.

24. Knowledge brokerage and providing access to information is another critical dimension. The subregional resource facility (SURF) system established under UNDP 2001 is another step in the right direction. The system needs to be strengthened further.

25. The role laid out above reconfirms national execution as the mode of implementation most appropriate to the type of outcomes that have been identified. National ownership is the most important criterion for determining success in achieving these types of outcomes.

New opportunities for UNDP

26. The SRFs and the emerging profile of UNDP drawn from those SRFs present UNDP with an important set of new opportunities. Eight are identified below.

27. First, there is an opportunity to break down old barriers. Focusing on outcomes should take UNDP stakeholders beyond the old debates about focus versus country-driven activities, operational aspects versus normative aspects and programme versus presence. A discussion based on outcomes should go beyond these distinctions and focus on issues of impact and measurement.

28. Second, UNDP now has the capacity to identify and invest in outcomes. Further, it can work to build constituencies around clusters of outcomes.

29. Third, the SRFs provide a powerful tool for strategic management, both at country and headquarters level.

30. Fourth, the SRF methodology introduces a new capacity for monitoring and measuring.

31. Fifth, the SRFs provide a new database for evaluation work and to promote learning.

32. Sixth, the identification of similar types of intended outcomes across countries provides a new opportunity for stimulating TCDC activities. It is the creation of a new comprehensive database that provides this opportunity.

33. Seventh, and linked to this, the creation of the new database capturing all the SRF information provides the basis for a new democratization of information both within and outside UNDP.

34. Eighth, the SRFs provide the basis for a new relationship between the secretariat and the Executive Board. Indeed, the introduction of results-oriented reporting will require a new type of relationship. The Board will need to consider the implications for its own working methods of a results-oriented approach.

II. BACKGROUND

A. Introduction

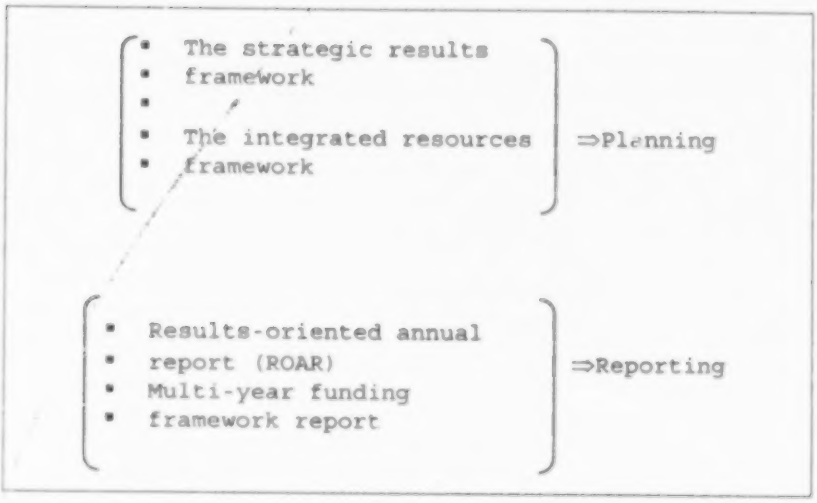
35. In its decision 98/23, the Executive Board decided that UNDP should develop a multi-year funding framework (MYFF) with the objective of increasing core resources. The MYFF was to take into account a number of principles. In particular, the decision states that the framework shall not introduce any conditionality nor result in distortions of priorities or changes in the current system of resource allocation.

36. Against this background, the Administrator presented his proposals on the implementation of decision 98/23 in document DP/1999/CRP.4 at the first regular session 1999. He emphasized that he had rigorously applied the principles and the guidance provided in decision 98/23. In its decision 99/1, the Executive Board welcomed the steps the Administrator had taken in developing the MYFF and requested him to continue this work in line with the timetable he had established. Consequently, in the present report, the Administrator is setting out his proposals for the first UNDP MYFF for the period 2000-2003.

B. The MYFF

37. The MYFF is described in detail in paragraphs 17-26 of document DP/1999/CRP.4. In summary, the MYFF consists of two basic elements: (a) a strategic results framework (SRF) and (b) an integrated resources framework. It is important to distinguish between the MYFF itself and the reporting to be undertaken against the framework. This is described in paragraphs 43-48 of document DP/1999/CRP.4 and is best captured by figure 2.

Figure 2. The MYFF concept



38. The SRF provides a broad frame of reference for UNDP strategic development goals. This requires in the first place a set of practical categories that capture the full range of UNDP-supported development activities. For management purposes, UNDP activities are divided into seven categories, based on existing mandates, experience, and a number of practical considerations (see figure 3).

Figure 3. UNDP Activities

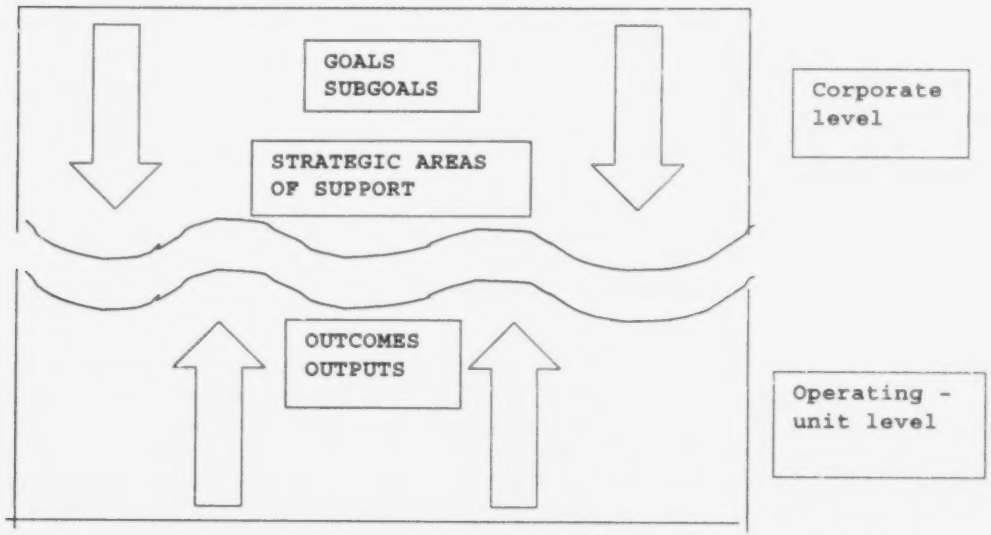
PROGRAMME	NON PROGRAMME
• The enabling environment for sustainable human development • Poverty eradication and sustainable livelihoods • Environment • Gender • Special development situations	• UNDP support to the United Nations • Management

39. Within each category, broad goals, sub-goals, and strategic areas of UNDP support have been identified. The purpose of defining the goals, sub-goals and areas of support is to provide a frame of reference for operating units as they strive to define expected outcomes and outputs. The goals and support areas represent management tools to provide overall guidance to operating units. They provide the necessary framework to make it possible to aggregate and assess results on an organization-wide basis.

40. Outcomes and outputs are identified at the operations-unit level (e.g., by a country office). Each operating unit defines the expected outcomes and outputs that enable the assessment of results achieved to be undertaken. An iterative relationship is conceived at the heart of the interaction between goals and areas of support on the one hand and the definition of outcomes and outputs on

the other. The first is defined corporately, the second is defined at the country level. There will be a constant process of adjusting the fit between the corporately defined results framework and the definition of outcomes and outputs identified at the operating unit level. This iterative relationship is captured in figure 4.

Figure 4. Iterative relationship between goals and outcomes: top-down and bottom-up



41. The second component of the MYFF relates to the presentation of the integrated resource framework (IRF). This framework relates the overall framework to the allocation of programme, programme support, support to the United Nations and management and administrative costs. In integrating the resource framework with the (SRF), it is essential to differentiate the presentation in the MYFF with the presentation to be made in the ROAR. In the MYFF, programme allocations are not broken up by thematic categories since allocations are not made by theme. This respects the principle contained in decision 98/23 that the MYFF should not introduce changes in the current system of resource allocation. Moreover, the necessary information is simply not available at the beginning of any specific four-year MYFF cycle to indicate resource allocations by theme. Such information would need to be aggregated from country-level data and this data will become available only as consultations with Governments take place and country cooperation frameworks (CCFs) are finalized. The proposed IRF is contained in chapter V. It is important to note that information on the use of resources by theme will be provided in the ROAR.

C. Process

42. Since the adoption of Executive Board decision 99/1, a highly intensive process has been pursued in order to ensure its successful implementation. Few, if any, commitments made by the Administrator to the Board over the last several decades have mobilized so much of the organization, in such an intense fashion, with such clear impact. This is because the SRF methodology in particular has quickly become recognized as a key strategic-management instrument. All relevant

parts of the organization have played a critical role and have made a major contribution to the process. The process can best be understood as comprising three phases, as explained in the following paragraphs.

43. Phase 1. The first phase focused on the design of the SRFs. Building on earlier work, this phase was concentrated on between October 1998 and February 1999. The design work was led by task forces comprising a range of different competencies and perspectives. It was validated through workshops and country pilots to ensure relevance and practicality. External consultants provided independent validation.

44. Phase 2. The second phase consisted of the definition of outcomes and outputs by operating units within the SRFs provided. This phase lasted from March to end-May 1999 and was a particularly intensive period. Some 11 workshops were held at regional and subregional levels to expose several senior staff members from each country office to the methodological issues involved. Staff were provided with both a training manual and a technical note to guide them in completing the SRFs. The great majority of country offices have gone through intense strategic reviews of goals and anticipated results. A large number of units at headquarters have undergone the same process. The best indicator of the organization-wide character of this effort is the 100 per cent compliance rate achieved from the country offices.

45. Despite severe time constraints, most offices were able to have discussions with national authorities. Offices used a variety of sources as a basis for their strategic planning exercises. These included existing CCFs, common country assessments (CCAs), United Nations Development Assistance Frameworks (UNDAFs) and projects as well as information relating to results from country-office presence. For the years lying outside the current programme period but within the MYFF period which might not be covered by any existing documentation or commitments, the office was requested to think and plan strategically on the basis of existing analysis and projections. Above all, it was explained to resident representatives that the exercise they were undertaking should be strategic in nature. The object of the exercise was not to account for all activities and projects.

46. Phase 3. The third phase, which took place during June and July 1999, covered the conversion of the material from some 150 SRFs at the operating-unit level into the MYFF for the organization as a whole. This exercise posed the daunting challenge of analysing some 2,500 pages of matrices and extracting from them a set of generic outcomes that would properly capture and reflect the reality of the organization's aspirations at the country level. A new database was established for this purpose.

47. In essence, this work needed to be completed in a six-week period. A multitiered task force approach was adopted in order to meet this challenge. The key components of the approach pursued were as follows:

(a) A core MYFF group that analysed the data and constructed from it a set of organization-wide generic outcomes;

(b) Regional bureaux working groups which analysed data from an operational as well as a regional perspective. These groups worked in parallel with the core MYFF group;

(c) An inter-bureaux core MYFF group which contributed to and validated the work of the core MYFF group;

(d) A quality assurance group, including two external consultants to comment on and validate the work being produced;

(e) A group to review and refine the definition and use of various types of indicators;

(f) A final workshop in which all interested parties commented on and contributed to the final draft MYFF;

(g) Overall management and coordination of the production of the MYFF was provided centrally.

48. In assessing the first UNDP MYFF, the Administrator trusts that the Executive Board will bear very much in mind that in order to fulfil its obligation to the Board, UNDP has had to work under extreme time constraints.

D. Methodological issues and lessons learned

49. The Administrator believes that the essential validity of the approach proposed in document DP/1999/CRP.4 has been demonstrated. The approach has in his view generated a sound and practical MYFF while at the same time safeguarding the essential principles outlined in decision 98/23.

50. On the basis of experience to date, the Administrator proposes to identify generic outcomes in the MYFF and to report on outputs selectively in relation to these outcomes in the ROAR. There are both methodological and practical problems in identifying generic outputs in the MYFF. Moreover, it appears reasonable that the MYFF as a strategic planning instrument should remain focused at the level of outcomes, while the ROAR, as an annual reporting mechanism, should identify key outputs.

Focus on outcomes

51. The problems associated with measuring and attributing development outcomes are well known and widely lamented. It was nevertheless decided that the UNDP results-based management system should ground its concept of results at the outcome rather than at the output level. While both levels of accomplishment are important and prominently reflected in the system, this decision to emphasize outcomes was based on two considerations. The first consideration was the crisis of confidence facing the development community as many question the effects of investments in development. It was felt necessary for UNDP to portray a significant and honest picture of the consequences of its interventions.

52. Since many of the most important contributions of UNDP result from what some have called "soft interventions" - advocacy, policy dialogue and institutional strengthening, field presence - the decision to project and capture outcomes of these particularly hard-to-measure and hard-to-attribute areas became essential. While this continues to be a work in progress, UNDP has committed itself to the proposition that "soft interventions need to have hard outcomes" and to incorporating such interventions into its system of results-based management.

53. An important consequence of results-based management has been to reinforce the value of partnerships. Results-based management shifts the focus of the organization from outputs - which could feasibly be produced by one organization-to outcomes - which necessarily require the work of many groups working together. By putting the emphasis on outcomes, there is renewed interest in seeing that UNDP fully invests in partnerships. As noted above, the UNDP mission and goals highlight the central role played by partnerships, cooperation and synergy. As a result, the SRF structure places particular emphasis on defining these partnerships in relation to specific outcomes and specific countries. Within the United Nations family, this approach is intended to facilitate the formulation of the UNDAF. UNDP has also expressed its commitment to harmonize the respective cycles of the MYFF and the UNDAF. UNDP has also expressed its commitment to harmonize the respective cycles of the MYFF and the UNDAF.

54. Analysis of the SRFs has exposed the UNDP teams analysing the data to the complex issues relating to the construction of practical indicators. In particular, the need to differentiate between situational, generic, and specific indicators has raised a number of complex challenges. This merits a separate review and is therefore addressed in chapter IV.

55. The key lessons learned are as follows:

(a) The MYFF is a process, not an event, nor a document. The Administrator is committed to a process in which UNDP will learn by doing. Mistakes and inadequacies should be expected;

(b) The UNDP approach is to ensure multiple institutional ownership. The SRFs must be owned broadly by all stakeholders within the organization. If it is perceived to be driven from one unit, it will have a short life;

(c) Results-based management must be an integral function for UNDP line management;

(d) The SRFs are an exercise in strategic management. They must not be allowed to become an exercise in accounting for projects. In this respect, the SRFs are a powerful instrument for change;

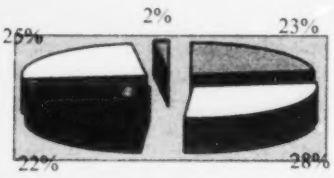
(e) Success requires simplicity. It must be recognized that simplicity is very difficult to protect. Complex processes militate against simplicity. Every effort needs to be made to protect simplicity.

III. THE STRATEGIC RESULTS FRAMEWORKS: AN ANALYSIS

56. The present section provides an analysis of the material derived from country offices and other operating units. While the empirical basis for the analysis is extensive, it should be borne in mind that variances in the quality of submissions dictates that caution be used in the interpretation of the material.

57. Charts 1 and 2 provide historical data on expenditure patterns by the traditional UNDP classification system. Reporting on expenditure by sub-goal will be provided in the ROAR.

Chart 1. Thematic distribution of unrestricted resources

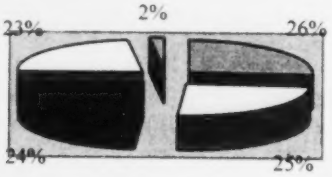


- Poverty eradication and livelihoods for the poor 23%
- Good governance 28%
- Environmental resources and food security 22%
- Public resources management for sustainable human development 25%
- Other 2%

Total: $ 2.5 billion

Period covered: 1992 - 1996

Chart 2. Thematic distribution of all resources



- Poverty eradication and livelihoods for the poor 26%
- Good governance 25%
- Environmental resources and food security 24%
- Public resources management for sustainable human development 23%
- Other 2%

Total: $ 6.4 billion

Period covered: 1992 - 1996

58. Before turning to a discussion of each category, it should be noted that in two respects in particular the analysis falls short. In the first place, it has proven very difficult to provide a good analysis of the UNDP approach to and role in partnerships. Partnerships are the key to achieving outcomes. Yet it is difficult to analyse this at the outcome level. Second, UNDP work in soft interventions (e.g., advocacy, policy dialogue, field presence) has also proven very difficult to capture. Yet this is a key to the type of roles UNDP is best suited to performing. However, UNDP has committed itself to work further on defining "hard outcomes" from "soft interventions".

59. The Administrator is committed to working further on these issues and reporting on them to the Executive Board.

A. The enabling environment for sustainable human development

Analysis

Goal: To create an enabling environment for sustainable human development
Sub-goals:
1. Promote national, regional and global dialogue and cooperation to widen development choices for sustainable and equitable growth
2. Strengthen capacity of key governance institutions for people-centred development and foster social cohesion
3. Promote decentralization that supports participatory local governance, strengthens local organizations and empowers communities
4. Promote an efficient and accountable public sector that serves all citizens

60. This SRF registered the largest number of entries - defined as strategic areas of support (SAS) used - from country offices (663), followed by poverty (520). This result reveals the importance attached at the country level to stimulating dialogue on widening development choices for sustainable and equitable growth. It also constitutes a recognition that governance is seen as pivotal in fighting poverty and ensuring sustainable livelihoods.

61. The analysis presented below highlights that the thrust of UNDP action focuses on capacity-building activities that support a strengthening of the enabling environment at both national and local levels. Analysis reveals four main types of outcomes that UNDP is supporting:

(a) Policy formulation and increased public debate on national development issues;
(b) Strengthened management and technical capacities;
(c) Increased participation by populations at various levels; and
(d) National reconciliation processes and consensus-building processes.

The sub-goals, in order of ranking are:
Sub-goal 2: Strengthen capacity of key governance institutions for people-centred development and foster social cohesion (91 countries);

Sub-goal 4: Promote an efficient and accountable public sector that serves all citizens (90 countries);

Sub-goal 3: Promote decentralization that supports participatory local governance, strengthens local organizations and empowers communities(88 countries);

Sub-goal 1: Promote national, regional and global dialogue and cooperation to widen development choices for sustainable and equitable growth (86 countries).

62. The most striking feature evident from the above is the confirmation of the overall UNDP institutional profile outlined in the overview to the present document, highlighting the organization's focus on capacity-building activities. Over 90 per cent of all entries relating to the enabling environment were centred on this type of outcome.

63. An analysis of the SAS that registered the largest number of entries confirms the patterns of UNDP interventions obtained from a look at the sub-goals. The ranking for the top five SAS is as follows:

(a) Promote public awareness and policy dialogue on SHD issues (76 countries);
(b) Promote an efficient public sector that improves(economic) management and provides open access to services (65 countries);
(c) Promote participation in planning at all levels (56 countries);
(d) Foster good governance/promote consensus-building (52 countries);
(e) Develop capacity of local authorities (49 countries).

Sub-goal 1: Promote national, regional and global dialogue and cooperation to widen development choices for sustainable and equitable growth

64. The hallmark of this sub-goal is a demonstration of the catalytic nature of UNDP interventions in contributing to increased internal debate within and between countries on issues of importance to SHD. It is at the country level where UNDP outcomes in this area are concentrated.

65. The most popular of the governance SAS relates to promoting awareness and policy dialogue on SHD issues. It outlines the role of UNDP as a neutral catalytic agent in 76 countries when it comes to fostering increased public debate on SHD, the national development agenda and in influencing public policy and decision-making. In many cases, a tangible means of stimulating debate and/or influencing policy formulation is the production and or dissemination of global, regional and national human development reports and other in-depth studies and publications. In Africa, UNDP is contributing to the formulation of participatory long-term planning processes.

66. The importance of the private sector in terms of its interaction with the State and civil society is an emerging priority. Outcomes take the form of new forums for dialogue, policy initiatives or changed regulatory environments. It is also worth highlighting the importance of UNDP-led initiatives for economic and technical cooperation among developing countries (ECDC/TCDC). The most common outcomes relate to the exchange of information and experiences between

countries facing development challenges with regard to innovative and/or improved practices.

Sub-goal 2: Strengthen capacity of key governance institutions for people-centred development and foster social cohesion

67. The sub-goal with the most amount of entries registered - 205 - it reflects a priority concentration of UNDP outcomes on the provision of capacity-building assistance for key national institutions at various levels of national activity.

68. UNDP is clearly and actively involved in supporting what in most countries is a central institution of national sovereignty - the Parliament. Intended outcomes in the 36 countries that have requested support from UNDP in this field vary from support to the increased representation of vulnerable groups and minorities in the national assemblies in Asia to improved institutional capacity in Africa.

69. UNDP is directly supporting some 26 countries in bolstering the capacity and integrity of national electoral commissions both at central and sub-national levels or the formulation of appropriate legislation in this field. UNDP is supporting election-related activities in a number of countries in which elections have been crucial to national stability and peace.

70. The last few years have witnessed a dramatic increase in UNDP involvement in supporting the reform of the judiciary. UNDP is actively engaged in assisting 44 countries to undertake processes of reform or modernization in this sector. UNDP initiatives are leading to the formulation of new laws, improved capacities and greater numbers of skilled personnel as well as new initiatives designed to increase legal access for more marginalized groups.

71. UNDP is undertaking a multitude of initiatives in some 52 countries to foster the emergence of good governance practices and national cohesion and tolerance among various actors/groups. In Latin America, UNDP has been a lead player in encouraging reconciliation and the pre-empting of tensions in a number of countries.

72. Finally, 47 programme countries are requesting UNDP assistance in the field of human rights, particularly with regard to supporting the establishment of ombudsman mechanisms.

Sub-goal 3: Promote decentralization that supports participatory local governance, strengthens local organizations, and empowers communities

73. This sub-goal straddles issues of increased participation in decision-making and improved government capacities at the sub-national level. Promoting participation in development planning and other decision-making processes at the sub-national level is a popular SAS in this SRF, with 56 countries registering activities. While UNDP activities focus on the increased participation of populations in sub-national/local decision-making, in particular through the increased articulation of interests by credible and competent civil society organizations (CSOs), the emphasis varies from region to region. While legislation to provide an improved environment for CSOs is paramount in the Europe and Commonwealth of Independent States region, the emphasis in the Arab States region centres on support to increased participation by rural populations.

74. Thirty-six country offices are supporting the development of sound decentralization policies. While there are slight variations on the emphasis between regions, all the countries involved in this activity identify as an outcome the need to ensure a functioning and credible system of decentralized administration.

75. Forty-nine countries focus on the need to develop the capacity of local authorities. All countries share a similar goal of strengthening local management capacities across the board and ensuring greater sensitivity to local needs. However, regional specificities vary from a general emphasis on the training of human resources in Africa to a specific emphasis on improved local-level management of finances and tax revenues in Asia.

Sub-goal 4: Promote an efficient and accountable public sector that serves all citizens

76. This sub-goal focuses on three main aspects relating to the capacity, effectiveness and efficiency of the public sector, namely the performance of the public administration system, the need to ensure transparency and accountability and the need for improved aid coordination.

77. The importance of the capacity-building role of UNDP is once again underscored by the importance attached to this sub-goal by country offices.

78. The promotion of an efficient public sector is an area to which almost 50 per cent of all country offices are contributing, representing the second most popular SAS in the entire SRF. While in the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) region there is a demand to support the reform of the public administration system, in Africa and Asia the emphasis is on improved capacity-building for the delivery of public goods and the increased application of international best practices. In the Arab States region, outcomes focus on improved management within the civil service.

79. Forty countries report outcomes in the area of ensuring greater levels of transparency and accountability in public activity. Although slight variations of emphasis among the 36 countries are again perceptible, the common overall outcome is the need to ensure transparency in the management of public funds and the dissemination of reports to the public on this.

80. Support to improved aid coordination and management is another vitally important area of focus. The general thrust of activities focuses on improved capacity by Governments to coordinate international assistance and to ensure national ownership of this process in terms of complementarity with national priorities.

B. Poverty eradication and sustainable livelihoods

Analysis

Goal: To eradicate extreme poverty and reduce substantially overall poverty
Sub-goals: **1. Promote poverty-focused development and reduce vulnerability** **2. Promote the livelihoods of the poor through strengthened self-organization and access to assets and resources**

81. The most popular strategic areas of support are as follows:

(a) Promote pro-poor macroeconomic and sectoral policies and national anti-poverty plans (84 countries);
(b) Promote entrepreneurship and access of the poor to microfinance (70 countries);
(c) Promote employment and foster skills among the poor (66 countries);
(d) Support the capacity of the poor and civil society for self-organization and the development of alliances (60 countries);
(e) Strengthen the capacity of Governments and vulnerable groups to take preventive measures to reduce the impact of health epidemics such as HIV/AIDS (48 countries).

82. These top five SAS, which also account for about 50 per cent of all outcomes reported under this thematic category, paint a clear profile of UNDP support in programme countries. The main features are:

(a) Investment in the enabling conditions for tackling poverty nationally through capacity-building focused on policy and legislative change, backed up by improved monitoring and assessment of human poverty;

(b) Assistance for the increased accumulation of social capital by the poor through their expanding ability for mobilization and cooperation with other social actors;

(c) Targeted and/or pilot interventions that provide direct support to the poor, an essential pre-condition for maintaining a grasp of poverty issues at the grass-roots level.

Sub-goal 1. Promote poverty-focused development and reduce vulnerability

83. Within sub-goal 1, there are four SAS, quite clearly demarcated in terms of their frequency of selection at the country-level. Promoting pro-poor macroeconomic and sectoral policies and national anti-poverty strategies and plans that are adequately financed is by far the most popular SAS.

84. This SAS accounts for almost half (48 per cent) of all outcomes reported for sub-goal 1, drawn from 84 countries in all regions and income/development categories. The outcomes are mainly concerned with action at two levels: first,

raising the profile of poverty issues in public debate and in policy-making, e.g,. by drawing attention to the social costs being incurred in economies in transition; and second, assisting with the formulation of national anti-poverty strategies and action plans, often stressing four key concerns - specification of targets, access to basic social services, adequate financing (including reallocation of development assistance through the 20/20 initiative) and integration of strategies/action plans within macroeconomic and sectoral policies and programmes. In a number of cases, planning extends downwards to the sub-national level and upwards to the subregional or even regional level as, for example, in South-East Asia through the Mekong River Commission.

85. Monitoring human and income poverty is a counterpoint to planning that stresses monitoring and assessment. A total of 46 countries have reported outcomes in this area. The outcomes themselves are aimed at building the capacity of national organizations for data collection, analysis and dissemination to encourage the emergence of centres of excellence at the country level, ranging from social observatories to early-warning systems. More specific aims are to: (a) encourage a holistic conception of poverty, extending beyond measures based solely on income to the broader concept of "human poverty"; (b) provide a foundation for targeting anti-poverty strategies and plans/programmes; (c) assess the impact of these strategies and plans/programmes, using participatory approaches; and (d) monitor progress towards international commitments, especially those relating to the World Summit on Social Development.

86. Addressing the specific challenge of HIV/AIDS, although focused on the poor as well as on the non-poor, also emerges as an important strategic choice at this second level of focus reported by 48 countries. The specifics of the outcomes are centred, first, on building institutional capacity nationally to formulate, coordinate and manage the implementation of multisectoral HIV/AIDS policies and programmes and, second, on raising awareness, especially among at-risk groups, regarding the prevention and treatment of the epidemic as well as its socio-economic impact.

87. Finally, 38 countries have reported outcomes relating to supporting poverty-focused systems of social protection with a notable concentration in middle-income countries within the Europe and the Commonwealth of Independent States region and East/South-East Asia, that is, economies in transition and others affected by the global economic crisis, respectively. The emphasis of the outcomes are either on establishing or reforming social safety nets, in the latter case for increased efficiency, better targeting and improved financial sustainability.

<u>Sub-goal 2: Promote the livelihoods of the poor through strengthened self-organization and access to assets and resources</u>

88. In the case of sub-goal 2, there are six SAS, three of which clearly emerge as the main areas of focus for UNDP, accounting for 60 per cent of all outcomes under sub-goal 2. They are as follows.

89. Outcomes relating to increased access of the poor to microfinance are drawn from 78 countries in all regions and income/development categories. They are clustered into two groups: (a) fostering policy and regulatory frameworks for financial institutions that enable the emergence of microfinance providers; and (b) building the capacity and viability of microfinance institutions, including their ability to target the poor.

90. Promoting skills development as well as employment and self-employment of the poor is covered by some 66 countries across all regions and income/development categories. Once again, there are two major sets of outcomes that can be discerned from the data. The first concerns the creation of an enabling environment for employment promotion, principally through policy development or reform, definition and/or strengthening of institutional frameworks for executing policy, and investment in national capacity to monitor labour markets based on better data collection and analysis. The second concerns interventions which directly support skills development and employment creation through: (a) investment in improving the quality, efficiency and accessibility of technical and vocational training, targeted at both structural and transitional poverty, ranging in the latter case from retraining for restructuring in Europe and the Commonwealth of Independent States to skills development for returnees or ex-combatants in the Africa region; and (b) enterprise promotion, with relatively greater emphasis on small and medium-scale enterprises in middle-income and net contributor countries and micro-enterprises in low-income and least developed countries.

91. Sixty countries have reported outcomes relating to supporting the capacity of the poor for self-organization and the development of alliances. These outcomes complement issues of access and opportunity by tackling an essential underlying condition for sustained success - increased mobilization of the poor and their ability to enlist the support of the non-poor. The strategic directions for UNDP lie in two main areas: (a) building the capacity of communities and community-based organizations of the poor to initiate and manage development activities as well as to press their claims with local authorities; and (b) linked with (a), supporting both the greater involvement as well as expanded capacity of civil society organizations and non-governmental organizations, to advocate for the poor with the poor and embark on community-based approaches for directly assisting the poor.

92. The remaining three SAS under sub-goal 2 account for 40 per cent of outcomes. Outcomes relating to access by the poor to basic services are drawn quite evenly from all regions as well as income/development categories (45 countries). The services targeted are almost exclusively primary health care, primary education and safe water and sanitation, the emphasis being on two major areas: (a) capacity-building for decentralized planning, coordination, financing and management of service delivery; and (b) direct support for service delivery, to make them more accessible to the poor and increase their quality. Both types of assistance tend to be focused on the poorer parts of programme countries, in mostly rural areas.

93. Access of the poor to agricultural infrastructure, services and markets represents the final component of the broader strategic approach on access to services (44 countries). These outcomes address access by the poor - especially small, marginalized farmers - to research and extension services, to input provisions and access to marketing for increased productivity and income, with expected downstream effects on household food security and nutritional status.

94. Structural reforms improving the access of the poor to land and other natural resources are often related to common property such as forests, water and fisheries. Outcomes focus on redressing the inequitable distribution of access, whether in terms of ownership or usufructuary rights, to land and other natural resources. An interesting dimension is the attention paid in some countries, mostly in Asia, to indigenous groups to secure traditional livelihood systems that are under threat.

95. A final observation concerning major patterns emerging under this SRF category is the emphatic attention given to two cross-cutting issues. The first deals with a deliberate focus on poor women that appears in a broad array of SAS and their related outcomes. The particulars include, for example, disaggregation of data on poverty by sex; increased access to basic services by women; a particular concern with the rights of women in the context of structural reforms dealing with property and/or usufructuary rights; access of poor female-headed farming households to agricultural infrastructure, services and markets; and the targeting of microfinance services to poor women. The second cross-cutting issue concerns the use of participatory approaches, designed to elicit the active involvement and direction of the poor in a wide spectrum of functions - from assessment of the impact of policies and programmes to the management of basic services and shared natural resources at local levels.

C. Environment and natural resources

Analysis

Goal: To protect and regenerate the global environment and natural resources asset base for sustainable human development
Sub-goals:
1. Promote the integration of sound environmental management with national development policies and programmes
2. Contribute to the protection and regeneration of the environment and promote access to natural resource assets on which poor people depend
3. Promote equity and burden-sharing in international cooperation to protect and enhance the global and regional environment

96. A total of 111 country offices prepared this SRF. Responses were nearly evenly shared among the sub-goals 1, 2 and 3 with, respectively, 95, 85 and 83 countries indicating outcomes. A predominant concentration emerged relating to strategic areas of support focusing on specific aspects of capacity-building. These included:

(a) Ratification of, and national follow-up to, international conventions (77 countries);
(b) Legal/regulatory framework and policy implementation (65 countries);
(c) National/local programmes for sustainable environmental management (65 countries);
(d) Management capacity of national environmental agencies (56 countries);
(e) Capacity for local participation in programme design/implementation (51 countries).

97. UNDP, through advocacy and programmes, links environmental issues to poverty and gender concerns. Strong emphasis is placed on the participation of all stakeholders and the development of partnerships with local and international partners, including the private sector, for the achievement of intended results.

98. Three sub-goals were selected through which UNDP can make a significant credible contribution to the overall objective of protecting and regenerating the global environment and natural resources asset base for sustainable human development, the goal that has been identified for assistance in the area of environment.

99. These three sub-goals reflect the contribution UNDP can make to advancing the United Nations global agenda for the environment and the assistance the organization can provide to mainstream environmental concerns into other sustainable human development issues, particularly poverty and gender. As importantly, these three sub-goals build on the organization's experience in environmental matters, particularly in strengthening national capacity for natural resources management, and integrating the goals of global international agreements, conventions and action plans.

Sub-goal 1. Promote the integration of sound environmental management with national policies and programmes

100. The first sub-goal recognizes the importance of bringing the environmental dimension into national policies. Through the four strategic areas of support selected for this area, UNDP intends to be a leading or key partner in strengthening national capacity to formulate and implement these policies at both the central and the local levels.

101. This first sub-goal ranked first on the basis of reporting. In the 95 SRFs received from country offices, a clear priority is placed on creating an enabling environment, which is frequently coupled with the strengthening of national capacity for natural resources management. These two SAS were mentioned by 64 and 56 country offices, respectively. A prime objective in countries in all income categories for every region is the creation or improvement of a legal/regulatory framework for the sustainable planning and management of natural resources. Equally important is the integration of environmental concerns in national development plans and sectoral policies, with all sectors encouraged to develop cohesive responses to the environmental problems. As a distinct aspect of capacity-building for environment, the adoption of a methodology for "green assessment" such as environmental impact assessments, appeared of special relevance.

102. As in governance, poverty and gender, UNDP sees strengthening capacity for data collection and analysis as a major area of support. Specifically, the access to, and awareness of, data concerning environmental degradation costs were perceived in many countries as important results to be achieved and were therefore captured under a second, separate outcome of the same area of support. In a number of instances, this is to be achieved through the creation of institutions.

103. Finally, financing options for resource mobilization to facilitate the implementation of national policies and programmes emerged worldwide as an innovative dimension of technical cooperation. The number of country offices active in this area averaged seven per region. The analysis of the SRFs, however, revealed a specific role for UNDP in developing and coordinating funding mechanisms.

Sub-goal 2: Contribute to the protection and regeneration of the environment and promote access to natural resource assets on which poor people depend

104. To assist countries in integrating their sustainable development goals in their poverty eradication strategies, UNDP complements its involvement in policy issues by emphasizing, as the second sub-goal, the protection and regeneration of the environment and the promotion of access to natural resource assets on which poor people depend. The strategic areas in which UNDP provides support allow the organization to have an impact on the development of sound, participatory management with people being empowered as agents of the protection and regeneration of the environment.

105. Promoting access to and ensuring sustainable management of natural resources and energy is essential to environmental protection and poverty eradication programmes. The direct involvement and participation of local authorities and communities are essential for the achievement of this aim and were repeatedly mentioned in the outcomes formulated at the national level for this second sub-goal. The importance of participation is reflected in the responses received for the SAS pertaining to national and local programmes for the sustainable management of energy, land, water and other resources and for the SAS on local capacity-building for environmental management. Within sub-goal 2, these were mentioned with the highest frequencies by country offices (63 and 51, respectively).

106. The generic outcomes presented for the SAS of sub-goal 2 reflect the importance of the participatory approach for common property issues. The intended results ensure that a broad range of stakeholders play their rightful, necessary role in managing natural resources in a sustainable manner. Environmental rehabilitation and protection, the local management of natural resources, raising awareness, the exchange of technologies and the promotion of alternative practices for income generation and sustainable livelihoods are envisaged through the direct participation and ownership of local authorities, non-governmental and community-based organizations, and the population at large, particularly women and indigenous groups.

Sub-goal 3: Promote equity and burden-sharing in international cooperation to protect and enhance the global and regional environment

107. In view of the importance of the global and regional agendas, UNDP positions itself to promote international cooperation - particularly regional dialogue and programmes - for equity and burden-sharing among countries. As a neutral partner, UNDP retains a significant comparative advantage in this area and contributes through its country presence and programmes to the development of global and regional dialogue and the exchange of experiences for the sustainable management of natural resources.

108. In line with its mandate, UNDP sees the ratification of and follow-up to international conventions on environmental protection as one of its key contributions to the achievement of this sub-goal. As many as 77 country offices aim at achieving tangible results in this area over the period covered by the MYFF. Expected results in this UNDP area of support cover two interrelated levels: (a) the ratification of and compliance with international conventions and agreements; and (b) the building of national capacity to enable countries to comply with binding agreements.

109. The second key UNDP area of support touching on international cooperation relates to intercountry policy and regional framework. UNDP advocacy and direct

support through national activities in 27 countries and intercountry programmes in all regions focus on increasing regional dialogue on transboundary natural resources management and establishing regional and subregional institutional frameworks and coordination mechanisms. An important aspect of this approach is the strengthening of national and regional capacity to participate in international forums.

D. Gender equality and the advancement of women

Analysis

Goal: To achieve gender equality and advance the status of women, especially through their own empowerment
Sub-goals:
1. Ensure gender equality in the decision-making processes at all levels
2. Promote women's equal access to and control over economic and social assets and resources
3. Ensure full enjoyment and exercise of human rights, including security and freedom from violence
4. Foster gender-mainstreaming and develop methodologies that will strengthen the capacity to track and measure improvement in the status of women

110. This SRF substantially underrepresents the emphasis on gender issues overall primarily because country offices have opted overwhelmingly to mainstream gender issues within the other thematic categories. This presents a methodological problem that has yet to be resolved.

111. The top five SAS measured by the number of countries reporting on them, are as follows:

(a) Strengthen women's entrepreneurial and technical skills, knowledge and capacities (38 countries);

(b) Provide capacity-building support for gender-mainstreaming in policy, plans and programmes (35 countries);

(c) Strengthen the capacity of organizations that represent women's interests and promote advocacy, networking and partnerships (34 countries);

(d) Promote women's leadership and decision-making in the public and private sectors (29 countries);

(e) Support the implementation of national action plans for the advancement of women and support ratification and monitoring of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (28 countries).

112. The weight of the empirical evidence suggests a strong emphasis on capacity-building as the principal thrust of UNDP support on gender issues at the country level. Within the area of capacity-building, a complementary set of focuses are being pursued, consisting of efforts to shift policy and legislation towards gender equality and, where appropriate, actions to advance women's interests underpinned by greater institutional capacity and steady progress towards gender balance at the upper echelons of the public and private sectors.

Finally, targeted assistance is provided to tackle specific constraints impeding the economic and social progress of women such as lack of skills and the inability to access the services that facilitate successful entrepreneurship.

Sub-goal 1: Ensure gender equality in the decision-mak ng processes at all levels

113. Clear patterns emerge in all sub-goals in terms of strategic choice. In the case of sub-goal 1, the SAS fall into three levels of popularity, as determined by frequency of selection at the country level. The most frequent reference (34 countries) is made to the promotion of capacity of organizations that represent women's interests and undertake advocacy, networking and partnerships. The outcomes are mainly concerned with action at three levels: (a) boosting the activity and effectiveness of non-governmental actors for awareness-raising, advocacy, networking and provision of direct assistance to address women's concerns; (b) to do the same with governmental institutions, both executive *and* legislative, at all levels of administration, taking into consideration the added dimensions of policy formulation, monitoring and coordination; and (c) in support of the above, providing nationals with access to the debate on gender issues taking place internationally.

114. Twenty-nine countries have reported outcomes on the promotion of women's leadership and decision-making in the public and private sectors. These outcomes have two major focuses: (a) increased representation, visibility and effectiveness of women in decision-making processes at national and local levels; and (b) complementary changes at the micro level to foster more equitable social relationships within households and communities.

115. The principal concern of supporting policy and legal frameworks for gender equality is to ensure that policy and legislation is adopted and, where necessary, amended to address gender equality with the proviso that implementation will be monitored. Outcomes in this regard are covered by 27 countries in all regions and income/development categories.

116. Under supporting the implementation of national action plans for the advancement of women, the outcomes are focused principally on the adoption, implementation and monitoring of action plans including, in particular, those prepared as follow-up to the Platform of Action agreed to at the Fourth World Conference on Women.

Sub-goal 2: Promote women's equal access to and control over economic and social assets and resources

117. By far the most popular SAS (38 countries) relates to the promotion of women's entrepreneurial and technical skills, knowledge and capacities. A relatively high proportion of these countries is clustered among least developed countries in the Africa region and middle-income countries in the Asia and Pacific, the Arab States and Europe and the Commonwealth of Independent States regions. The substantive thrust of the outcomes are, essentially, two sides of the same coin: (a) expanded access by women to key economic services (for example, credit, agricultural extension services, vocational and technical training and information technology); and (b) increased opportunities for women to establish, own and manage enterprises. In both areas, the emphasis cuts across both the formal and informal sectors of the economy.

118. The promotion of an enabling legal and regulatory environment for equal ownership of and access to assets focuses on amendment or adoption of

legislation to facilitate access to and ownership of assets, based on the foundation of broad and sustained public support for such action. The promotion of poor women's access to scientific and technological innovations in particular relates to the issue of access to and adoption of information technology by poor women.

Sub-goal 3: Ensure full enjoyment and exercise of human rights, including security and freedom from violence

119. Within sub-goal 3 there are two SAS that clearly represent the preferred strategic choices at the country level.

120. Support to the ratification, implementation and monitoring of CEDAW, accounts for almost half (48 per cent) of all outcomes under sub-goal 3, from 28 countries in all regions and income/development categories. The outcomes aim for the ratification of CEDAW as well as the implementation and monitoring of its provisions, with particular focus on the legal literacy of women.

121. Regarding the eradication of violence against women, outcomes are reported under this SAS from 22 countries. They aim in two directions: (a) to raise the public profile of the issue, as a pre-condition for action and (b) to ensure that institutional frameworks and mechanisms are in place for prevention and response, including better data on violence against women and improved enforcement of relevant laws - for instance, in the Latin American and Caribbean region, ranging from special tribunals to the adoption of special legislation.

122. The remaining three SAS with limited reporting focus on:

(a) Capacity for the prevention of trafficking in women and children and support for its victims centred on increased public awareness together with greater capacity within and across national boundaries for prevention, recovery and reintegration, in recognition of the multinational character of the problem;

(b) Knowledge and capacities of law enforcement agents and other officials regarding women's human rights where the main concern is to secure institutional arrangements within the system of justice to protect the rights of women; and

(c) Recognition of and support for the role of women in crisis situations. The outcomes are concerned not only with promoting women's participation in decision-making processes relating to conflict prevention and resolution as well as post-conflict peace-building and reconciliation but also, in the particular case of female victims of war, their successful social, economic and psychosocial reintegration into society.

Sub-goal 4: Foster gender-mainstreaming and develop methodologies that will strengthen the capacity to track and measure improvement in the status of women

123. Finally, in the case of sub-goal 4, there are just two SAS, one of which is the key focus of effort.

124. Providing capacity-building support for gender-mainstreaming in policy, plans and programmes is covered by 35 countries. The outcomes under this SAS seek integration of gender concerns in development policies and programmes, underpinned by increased capacity within a wide array of governmental, non-

governmental and parliamentary institutions to apply gender concepts and methodologies in policy formulation, legislation, programming and evaluation.

125. Twenty-seven countries report outcomes relating to strengthening national capacity to engender statistics. The outcome here is to ensure that relevant and reliable data disaggregated by sex is available, accessible and utilized to advance awareness of women's issues as well as to improve the design and assessment of interventions to address women's concerns.

E. Special development situations

Analysis

Goal: To prevent or reduce the incidence of complex emergencies and natural, environmental, technological and other human-induced disasters and to accelerate the process of sustainable recovery
Sub-goals: **1. Mainstream disaster reduction (including technological disasters) into national capacity-building, including policy-making, planning, and investment** **2. Restore the capacity of national institutions and civil society organizations to advance human security** **3. Ensure an effective link between relief and development that promotes the sustainable recovery and rehabilitation of affected populations and enhances their own coping mechanisms, particularly with regard to the displaced and refugees**

126. The special development situations (SDS) SRF structure has been based on UNDP experience, particularly over the last decade, in assisting the consolidation of peace and development in war-torn or post-conflict/disaster scenarios. The category is designed to encompass countries involved in natural disasters (chronic or otherwise) as well as those beset by varying degrees of political instability - most notably those that have succumbed to armed internal conflict. The SRF highlights the need for comprehensive responses that acknowledge the close link between crisis and development. Prevention and mitigation of the worst effects of crisis and ensuring recovery are all tied to development and various forms of capacity-building.

127. UNDP outcomes centre on two major spheres:

(a) Activities aimed at bridging relief and development through capacity-building activities designed to prevent and mitigate the effects of natural/technological disasters; and,

(b) The restoration of human and social capital in contexts of post-conflict recovery that assist the consolidation of political and social stability.

128. UNDP activities can also be divided into two major types of capacity-building:

(a) Capacity-building interventions of a traditional nature such as those relating to disaster prevention/mitigation/management as well as those of a more innovative kind associated with the adaptation of institutions such as police forces in post-conflict contexts;

(b) An emerging type of capacity-building which centres on support to war-torn populations and the establishment of post-conflict sustainable livelihoods for them.

129. An analysis of the entries registered for each of the sub-goals (defined as SAS used) yielded 66, 25, and 48, respectively. The most popular SAS were:

(a) Develop institutional capacity for disaster prevention, preparedness and mitigation, including preparation of national/local plans, improved early-warning systems, trained human resources and increased interregional/national information exchanges;

(b) Strengthen social capital by ensuring support for affected populations, including refugees and the displaced, and their access to sustainable livelihoods and socio-economic recovery through integrated area-based approaches and/or specific reintegration programmes;

(c) Promote programmes that bridge the link between relief and development to support peace-building activities in a coordinated manner;

(d) Promote preventive development and a culture of peace;

(e) Promote ratification and implementation of the Ottawa Convention to ban land mines, and build national capacity for comprehensive mine-action programmes, ensuring application of standards and appropriate technologies;

(f) Promote public awareness, particularly among the most affected populations, of their participation and that of local authorities in mitigating vulnerabilities and losses from disasters.

130. Traditional capacity-building activities are the most popular, followed by the emerging and innovative activities associated with support to specific activities within peace processes and support to war-torn populations and their search for new sustainable livelihoods.

Sub-goal 1. Mainstream disaster reduction (including technological disasters) into capacity-building, including policy-making, planning and investment

131. The first sub-goal is premised on the fact that the effects of natural and or technological disasters on both human and social capital are repeatedly worsened owing to poverty, lack of planning capacity and/or information on new methods and practices at various levels.

132. The sub-goal, used by 40 countries, recognizes the clear link that exists between developmental activities and disaster prevention/preparedness and mitigation. To support implementation of the Yokohama Strategy for natural disaster reduction, mainstream vulnerability analysis and hazard mapping into all activities directly, there is a correlation to the mainstreaming of disaster vulnerability and prevention in development planning. Thirty-two countries registered a series of outcomes under SAS 2 - Develop institutional capacity for disaster prevention, preparedness and mitigation, which addresses the fundamental aspects of strengthened national capacity in the area of disaster

prevention. Under this SAS, countries record outcomes under improved human and technical skills, creation or joining of information exchange networks and the establishment of databases and early-warning systems.

133. Eleven countries register activity relating to the promotion of public awareness, particularly among the most affected populations, on their participation and that of local authorities in mitigating vulnerabilities and losses from disasters. Although all the outcomes focus on the need to have populations that are more informed about ways and means of better preparing for disasters and mitigating the worst effects, there are two main sets of outcomes. One set focuses on the issue of information dissemination through public information campaigns and the other on the need to mobilize populations and local authorities into a more direct and active role in disaster preparedness and prevention.

134. The increasing recognition of the importance of the link between development and disaster prevention/mitigation is further highlighted by the fact that even countries experiencing varying degrees of conflict are addressing issues relating to disaster prevention and mitigation.

Sub-goal 2. Restore the capacity of national institutions and civil society organizations to advance human security

135. Sub-goal 2 highlights a series of outcomes relating to the increasing role that UNDP is being requested to play in complex, and/or conflict situations with regard to the consolidation of peace and stability.

136. Under this growing area of activity for UNDP, the largest number of outcomes are recorded under SAS 1- Promote preventive development and a culture of peace. This SAS reflects increased involvement in contributing to stability and/or peace within volatile environments. Outcomes are either tied to the easing of tensions before the outbreak of conflict, or to fostering the emergence of post-conflict enabling environments for peace.

137. The need to ensure both coordination and integration of activities among members of the United Nations family and other partners for the successful implementation of peace agreements is recognized as an increasing priority.

138. UNDP is being requested to provide support in a number of areas relating to peace processes that straddle both relief and development. These are covered under SAS 3: Strengthen public security, civil protection and policing, promote disarmament and demobilization. Outcomes focus on support to the restructuring of police forces and the demobilization of ex-combatants.

Sub-goal 3: Ensure an effective link between relief and development that promotes the sustainable recovery and rehabilitation of affected populations and enhances their own coping mechanisms, particularly with regard to the displaced and refugees

139. Sub-goal 3 focuses on another increasingly important trend for UNDP in conflict-torn situations: support to affected populations, particularly at the local level, and their search for new and sustainable livelihoods.

140. Two SAS focused on two important dimensions linked to post-conflict sustainable livelihoods. SAS 1- Strengthen social capital by ensuring support for affected populations, including refugees and the displaced, and their access to sustainable livelihoods and socio-economic recovery through integrated area-based approaches and/or specific reintegration programmes - centres on the

direct support provided by UNDP in transmitting knowledge and capacity at the local level to foster the emergence of sustainable livelihoods. Seventeen countries report activity with outcomes varying slightly from improved access to social services to special initiatives designed to assist the socio-economic reintegration of groups such as refugees and demobilized soldiers to microcredit, entrepreneurial schemes designed to stimulate income-generation.

141. A second important aspect of the establishment of post-war sustainable livelihoods is the priority of removing land mines, which hamper agricultural and other economic activity. Outcomes centred mainly on capacity-building for national mine clearance and action but a number also include specific reference to ratification of the Ottawa Convention.

142. The need to support the efforts of the United Nations family to reach affected populations was another major concern. Fifteen country offices reported the common outcome of integrating UNDP cooperation within the efforts of the United Nations and other donors under SAS 3- Promote programmes that bridge the link between relief and development to support peace-building activities in a coordinated manner.

F. UNDP support to the United Nations

Analysis

Goal: To provide effective UNDP support to the United Nations Agenda for Development
Sub-goals:
1. Provide effective and integrated follow-up to United Nations global conferences within the context of sustainable human development
2. Gain worldwide public knowledge of and support for the role of the United Nations in development
3. Enhance coherent United Nations operational activities for development

143. The SRF adopted a very focused approach to cover the three sub-goals identified. It concentrates on areas that are crucial to the United Nations work for development and where a UNDP presence and support, particularly at the country level, have high value-added. The document includes a total of eight strategic areas of support, under which nine outcomes were defined.

144. The changes and results UNDP intends to achieve in its role of providing support to the United Nations touches on three dimensions:

(a) Coordination:

(i) For follow-up to United Nations global conferences (104 countries);
(ii) As funder and manager of the resident coordinator system (98 countries);
(iii) For aid coordination (84 countries);
(iv) For a common United Nations position at the corporate level (applicable only to headquarters);

(b) Information and public relations (91 countries);

(c) Provision of services to the United Nations system at the country level (80 countries).

145. A total of 115 UNDP country offices from all five regions produced an SRF on UNDP support to the United Nations. The results targeted at the central level were captured in an SRF prepared by UNDP headquarters, which complemented the ones received from country offices. The outcomes identified capture the key results UNDP plans to achieve in three key areas of its work in support of the United Nations system: coordination, public information and support services. To achieve the intended outcomes, a strong emphasis is placed on the development of privileged partnerships with United Nations funds and programmes, international organizations, including the international financial institutions, and Governments.

Sub-goal 1: Provide effective and integrated follow-up to United Nations global conferences within the context of sustainable human development

146. The ultimate aim of the follow-up efforts led by UNDP (SAS 1) is the development of national dialogue and the approval and implementation of national strategies that follow the objectives of the conferences. UNDP is contributing to this outcome through direct support and 87 country offices have identified this area as strategic for their presence and programmes. Depending on the national context, the changes to which UNDP intends to contribute relate to a broader dialogue within the society, the ratification of international conventions, changing policy and legislation and/or monitoring and reporting. The role played by UNDP includes advocacy for the goals set by the United Nations conferences, which is complemented by UNDP interventions for capacity-building. This role is perceived as crucial in achieving these results, consequently 30 offices play a leading or key role in this area. It should be noted that the strategic results that country offices identify do not necessarily cover all United Nations global conferences but in most cases represent those that are most important in terms of national priorities and context.

147. An important aspect of the follow-up to United Nations global conferences, reflected in the second SAS, pertains to the use of United Nations mechanisms and instruments such as the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF). In 79 countries, UNDP makes or intends to make direct, specific use of these instruments to coordinate and focus United Nations support to national follow-up to global conferences. At the corporate level, a coherent United Nations position on global development issues and follow-up to conferences is the outcome to which UNDP intends to make a major contribution. This outcome covers both intergovernmental as well as internal United Nations forums.

Sub-goal 2: Gain worldwide public knowledge of and support for the role of the United Nations in development

148. A clear, common objective is pursued by the organization as a whole and reflected in the 92 SRFs received under the second sub-goal. This objective is fully captured by one generic outcome, which aims at gaining an increased recognition and stronger support for the United Nations mandate, goals and achievements. While the order of priority may vary, the audience targeted for this objective falls into four categories: decision-makers, donors, the media and the public at large. In their efforts to increase knowledge and support for

United Nations development work, UNDP offices and units place an emphasis on affirming the uniqueness and distinct profile of the United Nations and making their interventions more visible. These key elements are reflected in all regions and countries of all income categories, making this strategic area of support one of the most utilized and unified of the whole MYFF.

Sub-goal 3: Enhance coherent United Nations operational activities for development

149. In supporting the operational activities of the United Nations, UNDP concentrates on two areas of strategic importance: (a) the enhancement of coordination; and (b) the provision of administrative and logistic services.

150. UNDP plays a leading role in aid coordination. One aspect of this role is reflected in the SRF on governance, which captures UNDP results in enhancing national capacity for and promoting national ownership of aid coordination. As a complement to this role, UNDP makes a specific contribution to this area, as mentioned by 84 countries: to enhance aid coordination and forge strong support for sustainable human development issues in donor meetings (SAS 1). Partnership development is an essential component of the UNDP contribution. The organization is working in particularly close partnerships with United Nations specialized agencies, funds and programmes representing them in round-table and Consultative Group meetings.

151. Coordination responsibilities are entrusted to UNDP as the funder and manager of the resident coordinator system. Results achieved through this function are placed in a second SAS and their importance is mirrored in the extremely large number of country offices - 98 - that intend to demonstrate specific results in this area.

152. The outcomes formulated by UNDP country offices stress the role to be played not by the resident coordinator as an individual but by the team he/she is leading. They also underscore the fact that the interventions of the United Nations system are to be collaborative, complementary and cost-effective and respond to national development priorities. In a number of countries, more particularly those in special development situations, the ability of the United Nations country team to respond efficiently to initiatives of the Secretary-General or the Administrator was mentioned as an important result area. To facilitate this role, it is crucial that effective, coherent guidance and support be given to resident coordinators and country teams. This forms - under SAS 4 of this sub-goal - a specific outcome at the headquarters level, which will facilitate the attainment of the targeted results at the country level.

153. UNDP leadership and participation in securing a common position by the United Nations system in United Nations and intergovernmental forums were identified as another contribution UNDP makes at the corporate level to enhance coordination. They are reflected as specific results pursued by the organization.

154. The provision by UNDP of administrative and operational services to United Nations entities was not touched upon by any of the thematic SRFs. It represents, however, an important component of the UNDP presence and work at the country level and an essential factor for successful United Nations operations in the field. As such, the provision of these services forms a specific strategic area of support (SAS 2). This SAS was selected by 80 UNDP country offices, which aim at further enhancing their support. This support extends to

both resident and non-resident United Nations funds and programmes that develop operational activities in a given country. In enhancing the quality and effectiveness of the services it renders, UNDP seeks to enable the United Nations system to provide the full range of expertise it can offer and make it possible for the countries to access this expertise as their needs and priorities dictate.

155. This double approach, reflected in the outcomes of the present SRF, is an essential dimension of the results UNDP seeks to achieve in supporting the United Nations system.

G. Management

Analysis

Goal: To achieve excellence in the management of UNDP operations
Sub-goals:
1. Manage a results- and resource-based organizational strategy
1. Ensure effective human resources management
2. Ensure cost-effective management of financial resources
3. Strengthen learning and accountability
4. Become a client-oriented organization

156. The methodology pursued in the establishment of the SRF for management differs from the others in one important respect. In the case of management, outcomes were defined generically from the outset for the institution as a whole. All managers are being held accountable for the same set of outcomes relating to financial standards and human resource priorities. Even in this case, however, the set of generic outcomes defined from the outset has been adjusted to capture better country office submissions.

Sub-goal 1: Manage a results- and resource-based organizational strategy

157. The first sub-goal focuses on the organization's performance relating to managing for results and securing resources. Managing for results encompasses both strategic planning for results and reporting on programme performance in relation to the SRF established. The MYFF is foremost a funding framework and the success of the organization in mobilizing resources, both core and non-core, will be closely monitored and reported on.

Sub-goal 2: Ensure effective human resources management

158. Effective human resources management must be an essential component of any successful results-based strategy. Three areas have been targeted and will be monitored in the SRF: fostering the growth and empowerment of staff; the alignment of human resources with required competencies; and the promotion of the UNDP gender policy. In view of the analysis of UNDP functions and roles identified in chapter I of the present report, ensuring an alignment of competencies in the filling of the resident coordinator posts is a very high

priority. Competency testing and competency-based selection for resident coordinators will be vigorously pursued.

Sub-goal 3: Ensure cost-effective management of financial resources

159. The cost-effective management of financial resources is a third dimension to achieving overall management excellence. A number of precise indicators have been chosen with which to measure UNDP performance relating to the timely and efficient management of resources. Recognizing that institutionalizing change is integral to securing cost-effectiveness, an attempt has been made to capture in the SRF the rate of investment into change projects.

Sub-goal 4: Strengthen learning and accountability

160. Fostering a culture of learning and accountability is critical to any sustainable organizational strategy. In the area of learning, the SRF focuses on the dissemination of lessons learned, the institutionalization of knowledge management and the use of information technology. Knowledge management was identified as a critical dimension in the overall UNDP profile. This will therefore be an important focus of UNDP management attention. The development of the SURFs is integral to this effort. Accountability will be tracked through a series of performance measures. A package of precise measures will be built up over time and will allow for trend analysis and early corrective action.

Sub-goal 5: Become a client-oriented organization

161. The fifth and final dimension to management excellence captured in the SRF relates to strengthening the focus of UNDP as a client-oriented organization. Effectiveness is in significant measure a function of client satisfaction; UNDP therefore, needs to have in place a set of measures that will provide validation of its client focus and the quality if its partnerships. The SRF represents a first tentative effort to capture some of the relevant elements.

162. Performance measurement will be collected through three different mechanisms depending on the character of the indicators being monitored. Certain indicators relate to performance measures that can be collected in aggregate form through corporate information systems. A second set of performance measures will be provided by operating units in the contexts of the ROAR. These relate to assessments of performance at the level of the operating unit. A third set of performance measures will need to be collected through client surveys. This is necessary where individual perceptions are integral to the nature of the assessments being made.

163. While the entire MYFF exercise is a learning-by-doing process, the Management SRF is work in progress for very specific reasons. Since the new Adminstrator assumed his post in July 1999 and with his establishment of the Transition Team, the process by which targets will be set and performance measured is being further reviewed. Any further adjustments resulting from this work will be the subject of further reporting by the Administrator.

IV. INDICATORS

A. Measuring progress

164. Goals must be set before it is possible to judge or measure progress. Most evaluations typically highlight the fact that projects and programmes do not have clear, measurable objectives and that without benchmarks and indicators it is difficult to measure progress. Such assessment of progress is even more difficult at the organizational level. The SRFs present a concrete basis for judging performance in relation to specific country and organizational objectives. Different types of indicators were designed for use in the SRFs to track progress in meeting goals at both the country and the organizational levels.

165. Given the current strong emphasis on the use of indicators, it may be useful to reiterate that indicators fundamentally indicate, they do not explain. This being the case, the value of good judgement and analysis remains at a premium. There is also often a temptation to transform the measurement of change itself into a major and burdensome task. Indicators and their role have to be rooted in the real world. Being relevant and strategic become critical.

166. Within the SRF exercise, it was decided early on that result indicators would not be prescribed centrally, they are rather to be fundamentally derived from country realities in close dialogue with stakeholders and beneficiaries. There are, however, two areas in which the new system does include standardized indicators.

167. The first is in relation to tracking institutional performance in achieving generic outcomes. By asking operating units to report on these in a consistent manner, it will be possible to monitor and report on organizational performance in specific areas. Generic outcomes and generic indicators provide a fuller understanding of what the organization is doing. Such analysis - especially in comparing experiences between countries or regions or even between strategic approaches - becomes a powerful management tool in shaping the organization's ability to manage for results. Second, it was decided to have a limited number of common indicators of progress for the major goals and sub-goals targeted by the organization. These indicators do not directly address as such the contribution of UNDP to development outcomes. These indicators are linked to the development goals and objectives set in United Nations conventions, conferences and declarations and build upon the established global lists of the Organisation for Economic Cooperation and Development, the United Nations (CCA indicator framework and UNDAF) and the UNDP human development indicators.

168. Indicators are used to measure change at two levels: at the organizational level and at the level of the operating unit (i.e., the country level). Both facets have to be considered before solid judgements can be made on the performance of the organization.

169. The interplay between the field (bottom-up) and headquarters (top-down) is critical for a full understanding of how indicators can be helpful in recording and measuring progress. The basic building blocks are the country-level outcome and output indicators. These indicators specify how change is being recorded or measured in a specific country context. The generic indicators give a picture of organization-wide performance. With the help of situational indicators, UNDP has a picture of how specific development issues are moving globally and at the

country level. It allows in particular to situate UNDP interventions in a specific subject or sector context, which can help to avoid situations where an organization may be doing well (according to its own internal performance criteria) but the sector itself in a given country may not be doing so well. A classic example is forestry projects, where the performance of individual projects in country X may be judged superior but the forest cover may be rapidly declining.

170. The issue of attribution has been debated extensively in the professional literature. The focus in UNDP is on accepting that development outcomes are fundamentally dependent on the interacting strategies and activities of many development parties. There are few adequate indicators by which to measure individual contributions to the overall outcome. However, what is necessary is to record and understand in a credible manner what an individual agency is contributing and how its support is being organized in collaboration with other partners. Seeking to facilitate positive outcomes must therefore be founded on strategic partnerships, which in turn require a clear understanding of the respective strengths of the different parties.

B. The SRF indicator system

171. Indicators are signposts of change. They enable us to verify both the status of development outcomes that UNDP seeks to influence as well as the progress with delivery of products and services for which managers are directly responsible. Benchmarks and indicators are ultimately to support effective programme planning, management and reporting. Indicators help not only in demonstrating results but can also help in producing results - by providing a reference point for monitoring and decision-making, stakeholder consultations and evaluation.

172. The key to good indicators is credibility - not precision in measurement. The challenge is to capture key changes meaningfully - by combining what is substantively valid with what is practically possible to monitor. It is therefore better to have indicators that provide approximate answers to some important questions than to have exact answers to many unimportant questions.

1. Situational indicators

173. In the context of the SRF, situational indicators have been prepared for four programme categories of UNDP intervention (i.e., excluding the enabling environment for SHD). Changes in these indicators cannot be directly attributable to UNDP intervention; their main purpose is allow UNDP country offices and the organization globally to highlight potential major issues by focusing attention and monitoring progress in key specific areas.

174. There are no internationally agreed standards of methodology and definitions for indicators on governance and civil and political rights. However, indicators have been developed for the CCA which are largely qualitative in nature and have not yet been fully field-tested. These indicators are closely linked to the development goals and objectives set in the United Nations conventions and conferences on governance and civil and political rights. In their current form, the CCA indicators resemble more outcome indicators than situational indicators according to UNDP definitions. For the above reasons, and because the thrust of the SRF is better captured through

outcome indicators, situational indicators have not been developed at this point for this particular SRF.

175. Table 3 summarizes the situational indicators selected by UNDP for the other four substantive categories, indicating the reference points that have influenced the choice.

Table 3. Situational indicators

POVERTY ERADICATION AND SUSTAINABLE LIVELIHOODS	
REFERENCE POINTS	INDICATORS
World Summit for Social Development World Conference on Education for All World Summit for Children Fourth World Conference on Women World Food Summit Second United Nations Conference on Human Settlements	Poverty headcount ratio (per cent below national poverty line) Poverty headcount ratio (per cent below $1-per day) Human poverty index (Adult literacy rate of 15-24 year olds) (per cent of children under 5 suffering from malnutrition) (per cent with sustainable access to safe drinking water) (per cent with access to primary healthcare services) (per cent with adequate access to sanitation) Informal sector employment as per cent of total employment Estimated HIV adult prevalence rate Recognition in law of the right to freedom of expression, association and assembly
PROTECTION AND REGENERATION OF THE ENVIRONMENT	
REFERENCE POINTS	INDICATORS
United Nations Conference on Environment and Development	Emissions (tons) of greenhouse gases (per cent annual change) Consumption (tons) of ozone-depleting substances (per cent annual change) Number of threatened, endangered or extinct species (per cent annual change) Percentage of total land affected by desertification/ degradation (per cent annual change) Percentage of total population with access to safe water and sanitation (per cent annual change)
GENDER EQUALITY AND THE ADANCEMENT OF WOMEN	
REFERENCE POINTS	INDICATORS
Fourth World Conference on Women Convention on the Elimination of All Forms of Discrimination Against Women	Gender-related development index (GDI) Gender-Empowerment Measure (GEM) Ratio of boys to girls in secondary education Female share (per cent) of paid employment in non-agricultural activities Percentage of seats held by women in national government, including parliament Human poverty index (Gender-disaggregated)
SPECIAL DEVELOPMENT SITUATIONS	
REFERENCE POINTS	INDICATORS
Yokohoma Declaration	Area/ percentage of population covered by disaster contingency plans Extent of country covered by hazard maps (natural, environmental, technological) Adequacy and accessibility of existing stockpiles and food security Percentage of population dependent on humanitarian relief

2. Country-level output/outcome indicators

176. Since both outputs and outcomes represent results for UNDP, indicators are identified for both to help measure progress towards intended results.

177. Output indicators generally measure the quantity (and sometimes the quality) of the goods and services created or provided through the use of inputs. Depending on the situation, these can include such elements as the number of people trained and the number of workshops conducted.

178. Outcome indicators measure progress towards the change we would like to influence in a given development situation. Depending on the situation, these indicators can include elements such as the proportion of parliamentary seats and senior government positions occupied by women and the proportion of national budget allocated to social programmes.

3. Generic outcome indicators

179. Generic outcomes are rooted in empirical evidence coming from country situations. They are generated from an analysis of the various intended outcomes articulated in the country SRFs. The notion of generic outcomes allows us to demonstrate concentration of intervention in specific areas; it also lays the basis to start measuring performance at the institutional level.

180. Defining generic outcome indicators has presented somewhat of a challenge. Three main concerns were present while developing these indicators:

(a) The need to capture in a meaningful way the generic outcomes articulated in the corporate SRF;
(b) The feasibility of aggregation;
(c) The feasibility of validating the generic outcome indicators with the indicators developed at the country level.

The selection criteria - developed in chapter III - for the proposed generic indicators in UNDP responds to these three concerns.

181. Most of the generic outcome indicators are essentially counts of the numbers of countries achieving the intended outcomes, However, it is important to underline that this count is based on progress in specific country circumstances that are being captured from the country-level outcome indicators.

182. The generic indicators (see DP/1999/CRP.12) are a first attempt at measuring institutional performance in UNDP. They are roughly divided into two types: (a) indicators that reflect progress towards the achievement of a specific generic outcome, within specified targets and (b) indicators that highlight the number of countries reaching their objectives within a specific strategic area of support.

183. Further refinements are expected in the articulation of the generic outcome indicators. In their current design, these indicators can easily lend themselves to more in-depth analysis involving country indicator analysis in selected areas.

184. A brief comment is needed on management indicators: they are designed to capture organizational efficiency, internal as well as in its relationship with clients and stakeholders. They provide targets for key areas of management as defined in the management SRF.

4. Selection criteria and types of indicators

185. In selecting indicators for UNDP SRFs, the following criteria were adhered to:

(a) Indicators should provide relevant and robust measures of progress towards intended outcomes and ultimately towards sub-goals and goals. They should be clear and relatively straightforward to interpret;

(b) Data collection for indicators should not impose an unnecessary burden (cost and/or effort) on country offices;

(c) Indicators should be constructed from existing established data sources as far as possible and be quantifiable and capable of consistency of measurement over time;

(d) Indicators should be owned, and make sense to the majority of stakeholders.

V. THE INTEGRATED RESOURCES FRAMEWORK

186. The MYFF consists of two components: the strategic results framework (SRF) and the integrated resources framework (IRF). The frameworks for the first time bring together the resource allocation frameworks for programme, programme support, support to the United Nations and management and administration. These frameworks are fully aligned with the harmonized budget principles as well as with existing appropriation categories. Support to the United Nations is a category that is specific to UNDP and related to the special role of UNDP in supporting United nations operational activities, including the funding and management of the resident coordinator system.

187. The IRF covers the four-year period 2000-2003 in line with the MYFF (see table 4 and chart 3). The UNDP biennial budget, which covers the first two years, is incorporated in the IRF. The IRF was designed to incorporate two biennial budget cycles and at the same time provide the Executive Board with the option to review the detailed budgetary proposals contained in the budget document.

Chart 3. Resource allocation framework (2000-2003)

Harmonized budget categories

(millions of US dollars)

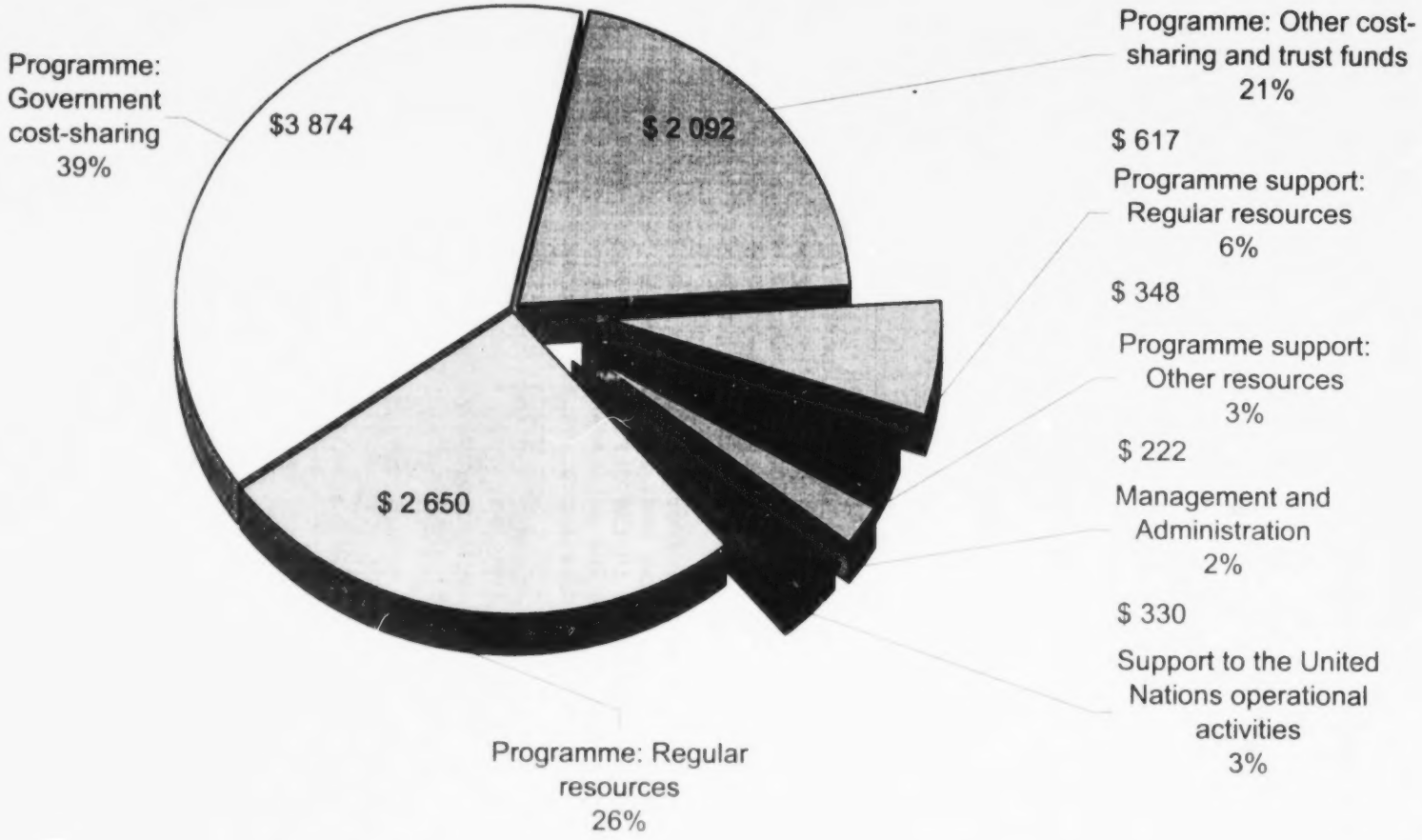


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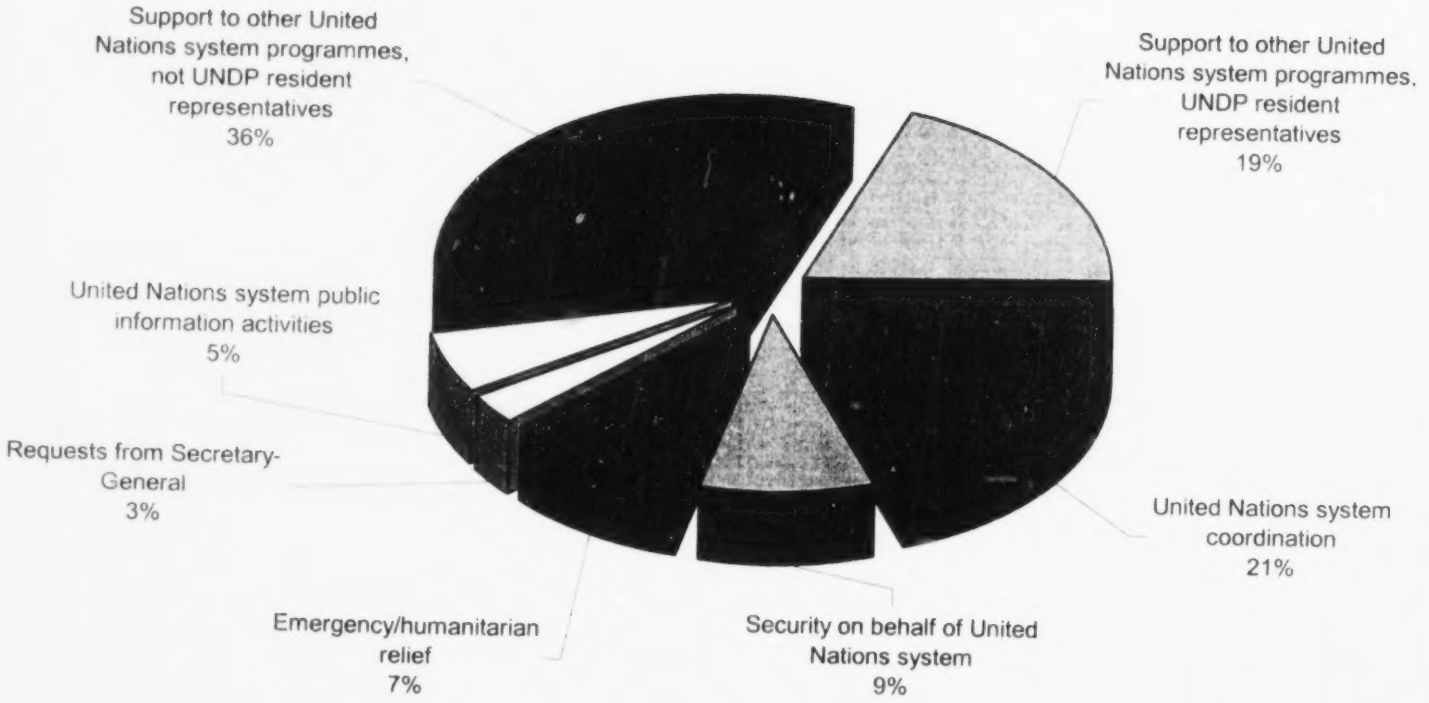
Chart 4. UNDP support to United Nations operational activities (2000-2003): country offices

($ 201.5 million)


Support to other United Nations system programmes, not UNDP resident representatives 36%
Support to other United Nations system programmes, UNDP resident representatives 19%
United Nations system public information activities 5%
Requests from Secretary-General 3%
United Nations system coordination 21%
Emergency/humanitarian relief 7%
Security on behalf of United Nations system 9%

/...

188. Income assumptions underlying the IRF are as follows:

(a) Regular resources. It is assumed that within the framework of the MYFF, voluntary contributions will increase to $800 million (2000), $900 million (2001), $1,000 million (2002) and to $1,100 (2003). This assumes that the $1.1 billion target set in 1998 would be met within five years. The IRF therefore assumes a total available of regular resources of $3.8 billion;

(b) Government cost-sharing. The projection is for $3.9 billion. This assumes a slight decrease from the projection for 1999 if it were simply to be taken forward for the next four-year period. Government cost-sharing is the only category where an increase from the 1999 base is not being projected;

(c) Trust funds/ third-party cost-sharing. The projection is for some $2.1 billion. This largely relates to trust fund activities. This projection represents a projected 5 per cent annual increase over the 1999 projected base. In view of current patterns of donor commitments, this appears to be a fairly conservative estimate.

189. Overall, the resources projected for the MYFF (2000-2003) amount to $10.1 billion. Of this, $3.8 billion relates to regular resources, the bedrock of the organization. In making these assumptions, the Administrator is conscious that in its decision 98/23 the Executive Board stated that the objective of the MYFF is to increase core resources. None the less, the Administrator is extremely concerned with regard to current trends concerning regular resources and will seek the advice of the Board at the present session, in particular with respect to the consequences of projected shortfalls.

190. Regarding programme support, it is important to note that the distribution of regular resources is weighted heavily to LDCs. Thirty-six per cent of total country offices are located in LDCs; however, 53 per cent of programme support regular resources (net) are allocated to LDCs. It is also interesting to note that some 60 per cent of the total (regular and non-regular) resources allocated to programme support in non-LDCs is borne directly by the countries themselves.

191. Chart 4 provides a breakdown of expenditures relating to support to the United Nations. It is important to recognize the range of functions performed relating to country office support.

192. The analysis of the SRFs and the overview presented in chapter I of the present report point to the importance of presence as an integral part of UNDP capacity. As suggested in the overview, focusing on outcomes might provide an opportunity to go beyond the traditional programme versus presence distinction. Tables 5 and 6 provide additional insights with regard to this issue.

193. The ratio defined in Executive Board 95/23 (see lines 6 and 7) does not provide a complete picture of the complex reality that underlies the UNDP of 2000-2003. Table 5 illustrates the wide range of ways in which ratios can be interpreted. An appropriate interpretation would be one that captures in a meaningful way the type of organization and profile that is endorsed by the Executive Board.

194. Table 6 speaks directly to the issue of the cost of maintaining universal UNDP presence. What emerges from the table is that for a major donor to UNDP (defined as being in the top five for these purposes), the cost of maintaining

the United Nations operational arm in non-low-income countries in each of the regions of Latin America, Arab States, and Europe and the Commonwealth of Independent States averages under $1 million a year. This estimate is calculated by applying what a top-five donor to UNDP contributes to the net cost of all the non-low-income country offices by region. Thus, for example, a top-five donor contributes annually 11 per cent of total contributions. The total net cost of UNDP country offices in the non-low-income countries in the Arab States is $7.5 million. Thus, the cost to the major donor of keeping offices in the non-low-income countries in the Arab States is $820,000 per year.

195. Table 6 brings back into focus the fundamental cost-effectiveness of multilateral forms of cooperation. Precisely because so many countries are being forced to cut back on their development aid infrastructure, the United Nations operational arm provides a highly cost-effective alternative.

Table 4. Resources Allocation Framework (2000-2003)

(Millions of US dollars)

Category	Programme allocation				Programme support							Management and administration regular resources (c)	Support to United Nations regular resources (d)	Grand total
	Regular resources	Other resources Government cost-sharing	Other resources Cost-sharing and trust funds	Total	Regular resources CO	HQ	GLOC	AOS	Total regular resources	Other resources	Total			
Programme (Governance, poverty environment, gender and special development situations)														
Least developed countries	1 311	33	709	2 053	245	72	33	35	319	43	362			2 415
Other countries	851	3 097	811	4 759	281	45	77	22	273	228	501			5 259
Net contributor countries	0	739	9	748	15	2	8	0	9	44	53			801
Sub-total	2 161	3 869	1 529	7 559	542	119	117	57	600	315	916			8 475
Other	(a) 489	5	563	1 057	(b) 3	0	0	13	16	33	49			1 106
Total	2 650	3 874	2 092	8 616	545	119	117	70	617	348	965			9 581
Management and Administration												222		222
Support to United Nations														
Programme support to Resident Coordinator													62	62
Country offices													201	201
DGO													5	5
IAPSO													7	7
UNV (net)													54	54
Total													330	330
Grand total	2 650	3 874	2 092	8 616	545	119	117	70	617	348	965	222	330	10 133

a/ Covers, both for regular and other programme resources, regional and global programmes and other (evaluation, TCDC, Programme of Assistance to the Palestine People, Central America, Development Support Services, etc.)
b/ Covers budget related to Programme of Assistance to the Palestine People
c/ Excludes Management and Administration for other resources, which amounts $17.2
d/ Does not reflect other resource activities for IAPSO and UNV

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Table 5. The integrated resources framework 2000-2003

Type of expenditures	Amount (US dollars)	Compared with	Amount (US dollars)	Percentage
Management and administration expenditures (regular and other)	239 million	Total expenditures	10.1 billion	2
Management and administration expenditures (regular and other)	239 million	Voluntary/third party/ trust fund expenditures	5.8 billion	4
Regular biennial budget (net)	1.0 billion	Total expenditures	10.1 billion	10
Regular biennial budget (net)	1.0 billion	Voluntary/third party/ trust fund expenditures	5.8 billion	17
Regular biennial budget (net) (excluding support to the United Nations)	770 million	Total voluntary contributions	3.8 billion	20
Regular biennial budget (net)	1.0 billion	Total voluntary contributions	3.8 billion	26
Regular biennial budget (net) for the year 2003 only	250 million	Total voluntary contributions (year 2003 only)	1.1 billion	23

Table 6. Universality: What does it really cost?

(millions of US dollars)

Regions	Yearly TRAC (average 2000/2001)	Yearly programme support Country offices (average 2000/2001)	Yearly other resources income (average 2000/2001)		Total GLOC income 1998	Net costs of country offices to UNDP	Net costs of country offices in non-low income countries to UNDP	Average contribution of top 5 donors 1998	Average contribution as a percentage of the total income to regular resources	Pro-rated costs of non-low income countries' presence to major donors
			Programme	Budget						
	(a)	(b)	(c)	(d)	(e)	(f)=(b)-(e)	(g)	(h)	(i)	(j)=(g)x(i)
Africa	245.7	49.5	116.7	4.1	2.2	47.3	8.7			0.96
Arab States	42.6	15.3	134.1	7.7	3.2	12.1	7.5			0.82
Asia and Pacific	157.3	25.1	120.9	3.9	4.1	21.0	6.4			0.71
Europe and the Commonwealth of Independent States	46.8	14.8	62.3	2.1	1.8	13.0	7.7			0.85
Latin America and the Caribbean	30.7	20.4	934.7	23	6.5	13.9	11.3			1.25
Total:	**522.9**	**125.1**	**1368.7**	**40.8**	**17.8**	**107.3**	**41.6**	82.35	11.04	**4.59**

(b) Annual gross cost of the country offices
(c) and (d) Annual estimated programme and extrabudgetary income
(f) Annual net cost of the country offices after including income from GLOC
(g) Annual net cost of non-LIC country offices
(i) Average contribution of top five donors as percentage of total contributions to regular resources
(j) Pro noted cost to top five donors (11.04%) of cost of non-LIC presence by region

VI. REPORTING

196. In document DP/1999/CRP.4, the Administrator indicated that two principal reporting instruments were envisaged for the Executive Board. The results-oriented annual report (ROAR) would be submitted to the Board at its second regular session each year and it would provide a report on the progress achieved in contributing to the outcomes identified in the strategic results framework. In addition to the ROAR, the multi-year funding framework report (MYFFR) would provide a more in-depth assessment of results achieved at the end of the four-year cycle.

197. The Administrator proposes to maintain this reporting structure. More detailed proposals are presented below. At the same time, the Administrator is keeping the issue of reporting under review and may wish to revert to the Executive Board with further clarifications and adjustments. In particular, the Administrator is concerned about ensuring that a number of aspects are taken fully into account. It is important that reporting formats are integrated as much as possible into line-management requirements. This will reduce workload and maximize the inherent value of the reporting. The Administrator's own vision and the work of the Transition Team needs to find expression in the final reporting arrangements. Finally, the Administrator believes that in-depth consultation with the Board is required before recommendations on reporting are finalized.

The ROAR

198. The ROAR is envisaged as comprising three main components:

(a) Institutional performance at the level of generic outcomes Progress will be increased on the basis of the indicators of performance at the level of the generic outcomes. Outcomes will be reviewed on a selective basis;
(b) A comprehensive overview of expenditures at the goal and sub-goal level;
(c) Selective in-depth reporting on progress on a limited number of outcomes, with explicit reference to outputs and to country-specific indicators.

199. The Administrator wishes to draw attention to a number of issues that arise from this proposal:

(a) The Administrator believes that it is essential for agreement to be reached with the Executive Board on the limited number of outcomes to be reported on in depth each year. Selectivity will allow greater depth, the use of background assessments and evaluations, and the use of country-specific data on outputs and indicators. There is a simple correlation between selectivity, depth, and learning;

(b) Selectivity requires a new role to be played by the Executive Board. Each year the Board would select three to five major outcomes for in-depth reporting by the Administrator. These subjects would provide the basis for more substantive discussions at the Board. The analysis required to provide such reporting would be an important input into strategic management within the organization;

(c) The Administrator proposes that the year 2000 be treated as a transition year. In effect, the ROAR to be provided in April 2000 is a

transition report since it relates to 1999, the year prior to the formal start of the MYFF period. The Administrator will revert to the Board with proposals on the exact coverage of the April 2000 ROAR;

(d) A number of options are under review by UNDP on the manner in which reporting on expenditures will be provided. Comprehensive reporting will be provided at the level of goals and it is also expected at the level of sub-goals. More selective reporting might be possible at the level of SAS. The challenge faced by UNDP is that existing classification systems for recording expenditure do not match the structure of the SRF. This is to be expected since UNDP is moving from input/sector-driven classifications to definitions relating to outcomes. The Administrator has three choices;(i) to map existing classifications onto the new structure;(ii) to redesign the entire classification system (iii) to run two parallel systems. The Administrator is currently reviewing the cost implications of each option. With regard to the April 2000 ROAR, the Administrator intends simply to map existing classifications onto the new structure.

The multi-year funding framework report

200. The Administrator has not yet been able to give adequate consideration to the full scope and context of the MYFFR. A number of key points are nevertheless emerging. The MYFFR is an opportunity to give a more in-depth assessment of progress on outcomes. It provides the most appropriate opportunity to report on the situational indicators. The four-year time period provides a more realistic timeframe in which to attempt serious assessments. One issue, which has not yet been resolved, relates to timing. The MYFFR should cover the entire MYFF period - which would suggest that it should be produced in the year following the end of the period. However, in order for the MYFFR to be used as an input in deciding on the new MYFF, it would have to be produced during the course of the fourth, possibly even the third, year of the current MYFF. The Administrator will revert to the Executive Board with some proposals on how to resolve this dilemma.

VII. EXECUTIVE BOARD ACTION

201. The Executive Board may wish to adopt a decision on the basis of the information contained in the present document.